

ECO



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Increasing Ambition & Common Accounting – *What are you Waiting for?*

As negotiations have now gone into a somewhat *un-transparent* mode, ECO had little choice but to catch delegates on their way out of the developed country mitigation informal yesterday – and was pleasantly surprised that indeed Parties used the session to address two of the elephants in the room – the lack of ambition of developed countries' pledges, and the need for common accounting rules. It came as no surprise that while almost everyone recognized the latter, a few considered that such accounting would pose inconvenient hurdles they weren't ready to take. This “unhelpfully resisting the numbers,” as one delegate put it after the session, doesn't strike ECO as particularly plausible for a country that in other circumstances insists on level playing fields (when it suits them).

ECO was pleased to hear the EU referring to its submission on options for increasing ambition. Their proposal indeed contains a useful list to start with. However, the most obvious “option” for the EU does not require a submission but bold action – upping its own target to 30% reductions by 2020. One (*large*) developed country has been reported to have suggested that the meeting was not the place to discuss increasing ambition by developed countries. If not here, then where, wonders ECO. Yet, there has been

no lack of ideas to increase ambition. ECO cannot resist to line them up into four broad steps, as a service to the hurried negotiator and to help the upcoming next informal meeting today:

Step 1 would seek full clarity on developed countries' net domestic emissions in 2020 resulting from current pledges, based on assumptions on LULUCF accounting, AAU carry-over, or the use of carbon offsets.

Step 2 would close the damn loopholes. For instance, LULUCF rules would use historic reference levels rather than some bogus projections into the future; AAU carry-over would be limited and no new hot air allowed to enter the system – you get the picture.

Step 3 would move developed countries to the high end of their pledges as a first step. Where needed, countries would clarify (a) what part of the conditions have been met so far and (b) what would fulfill the remaining conditions.

And finally, **Step 4**, developed countries would go beyond the high end of their current pledges to get them into the 25-40% IPCC range, and then (*double-check with them if they are still up for 2°C*) to at least 40% cuts by 2020. Difficult? Ask Denmark.

Stepping up the Adaptation Committee

ECO is pleased to see that adaptation negotiators are getting busy with detailed discussions on the Adaptation Committee. Since this is the only adaptation issue currently on the LCA agenda here in Panama, we expect progress towards taking a decision in Durban, especially before negotiators start enjoying the train ride along the Panama Canal (*Tourist advice of the day!*). ECO would like to thank Parties for agreement to provide access to the informals and consequently was able to follow some of the discussions. ECO heard that all Parties seem to support getting the Adaptation Committee up and running in Durban, including a work programme for the first year. That is the right approach, and we hope that no one falls back into a “taking hostage” mood linking the committee to other negotiation issues.

ECO understands that there are some controversies about the link of the Adaptation Committee to the entities of the financial mechanism, in particular the Green Climate Fund. The Adaptation Committee could become a key institution, galvanizing and synthesizing knowledge and experience on different aspects around adaptation, and providing technical guidance on planning and implementation at programme and policy levels. Then existing and emerging institutions like the Green Climate Fund could build on their

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work, such as guidelines for funding, on the recommendations of the Adaptation Committee in order to ensure adherence to the adaptation framework, and take into consideration the growing adaptation sciences and emerging issues.

This however does not mean that the Committee should trespass into the core business of the GCF Board (or other institutions). A soft link will be a way to increase the overall coherence which is so demanded by everyone.

ECO suggests that negotiators review a recent study published by the Earth System Governance Project. It reviewed experience from multilateral institutions from a variety of areas with regard to participatory approaches and the inclusion of stakeholders in its governance structure.

Whilst ECO appreciates that there seems to be convergence towards allowing observers to attend the Adaptation Committee meetings, the lessons learned from this and other studies suggest that adding representatives from stakeholder constituencies to the governance structure of the Committee, either voting or non-voting, could add much needed expertise, insights and credibility to the work of the Adaptation Committee.

We surmise that this was also proposed by some Parties in the negotiations. There is no doubt that stakeholder constituencies would have to ensure appropriate representation from developing countries combined with adequate expertise. Now is the time to put the Adaptation Committee on the right track, to be ambitious and to converge as soon as possible.



Side Event

Tuesday, October 4
16:30 - 18:00

Miraflores (Sheraton Hotel)

Scaling-up Climate Finance from 2013:

How to ensure sufficient and scalable long-term public climate finance starting in 2013, after the end of FSF

CAN will discuss the need for new and additional budget contributions and assess options for mobilizing supplementary sources of innovative public finance, consistent with CBD.

Speakers:

Forum for Environment- Ethiopia (Mahlet Eyassu)
Oxfam International (Tim Gore)
LDCs (Evans Davie Njerwa, Malawi)
Paul Watkinson, France/EU
Mohamed Nasr, Africa Group

Unlearned Lessons After Fukushima

ECO cannot stop wondering; what will it take to make Japan come to its senses? **Nuclear is neither safe nor clean.** If the ongoing, dreadful tragedies in Fukushima cannot make this simple fact clear, what will it take?

And still, in the KP spin off group meeting yesterday, Japan, supported by India, once again refused to drop the option to include nuclear in CDM. This means the country still wants to get credits for exporting to developing countries the very technology that brought such tremendous hardship upon its own people.

This is inappropriate, irresponsible and even morally wrong.

The country still has not been able to stabilize the reactors and has not been able



to take care of the residents in the heavily contaminated areas, nor dispose of radioactive waste arising from decontamination and from water treatment sludge.

How can Japan take this position in the midst of the nuclear crisis?

Just as a reminder, this technology does not fit one of the objectives of CDM, which is to contribute to sustainable development.

It is time for all Parties to make a simple decision: drop the option to include nuclear in CDM. The world expresses great disapproval towards the Japanese position of continuing to promote nuclear in the aftermath of the Fukushima disaster.

Annex I Accounting – Not Just About Transparency

Since June, there has been much attention paid to the topic of Annex I accounting. This has been reiterated in the opening session on mitigation.

There does seem to be some convergence on the need for transparency of assumptions underlying Annex I targets. This is absolutely critical and in line with the provisions of the Cancun Agreements. There is so much we don't know about the pledges that have been put forward. What are the rules for LULUCF underlying the pledges? What methodologies for offsets are being embraced? How is economy-wide being defined? What gases and sectors are included? How will double counting of emissions reductions be avoided? Without information on these and other issues, it will be difficult, if not entirely impossible, to accurately assess the targets in the International Assessment and Review (IAR) process. This clarification process must be formalized beyond the workshops. A first step would be for the Secretariat to update their technical paper on Annex I targets, which came out in June this year. But furthermore, countries must be more forthcoming about their assumptions and

this cannot be achieved without a more formal clarification process.

So what is the big deal around accounting? Can't Annex I countries just report what they are doing and be done with it? Well, while transparency and clarification are vital they just are not good enough to ensure a robust international climate regime. Common accounting rules will be necessary if emissions reductions are to be assessed in a comparable way – a key objective of the Cancun Agreements. In addition, it will be very difficult to inform the periodic review if we do not have an accurate picture of emissions reductions. And last but not least, a lack of common accounting rules could lead to double counting of emissions reductions, confusion in the carbon market, incompleteness of coverage, and potential gaming. As the UNEP emissions gap report shows, accounting rules can directly affect the amount of emissions reductions achieved in the 2013-2020 period.

We need to make sure that the IAR process is not only about clarification – which is vitally important – but also about the development of accounting rules. The environmental integrity of the regime depends upon it.